

## Message Text

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PAGE 01 ADDIS 01990 031508Z  
ACTION AF-10

INFO OCT-01 EUR-12 NEA-11 ISO-00 CIAE-00 DODE-00 PM-05  
H-01 INR-10 L-03 NSAE-00 NSC-05 PA-01 SP-02  
SS-15 ICA-11 COME-00 DOTE-00 EB-08 FMC-01 CG-00  
DLOS-09 OES-07 AID-05 /117 W  
-----008112 031922Z /43

R 031418Z MAY 78  
FM AMEMBASSY ADDIS ABABA  
TO SECSTATE WASHDC 8256  
INFO AMEMBASSY ATHENS  
AMEMBASSY CAIRO  
AMEMBASSY DJIBOUTI

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E. O. 11652: N/A  
TAGS: EWWT, EALR, ET  
SUBJ: ASSAB PORT OPERATIONS

REF: ADDIS ABABA 0904 (NOTAL)

1. STEVEDORE OPERATIONS: INFORMED SOURCES STATE THAT THE PRIVATE OWNED SHIP STEV CO WILL BE TAKEN OVER JUNE 8, 1978 BY THE PMGSE. SHIP STEV IS A COMPANY FORMED YEARS AGO BY PRIVATE SHIPPING AGENTS TO ORGANIZE ALL STEVEDORES AND CARGO HANDLERS IN THE PORT OF ASSAB.

2. COOPERATING CLOSELY WITH ASSAB PORT AUTHORITIES, SHIP STEV HAS DONE AN EXCELLENT JOB UNDER PRIMITIVE CONDITIONS IN COPING WITH THE HUGE INCREASE IN CARGO LANDINGS STEMMING FROM THE ETHIOPIAN-SOMALIA WAR. THIS PERFORMANCE WAS ACHIEVED DESPITE FEW ADDITIONS TO THE PORT'S LIMITED MATERIAL HANDLING EQUIPMENT INVENTORY, AND IN THE FACE OF THE GROWING POWER AND MILITANCY OF THE INDEPENDENT ASSAB DOCKERS UNION, BACKED BY THE SOCIALIST REVOLUTIONARY PMGSE.

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3. THE CONTINUING EFFECTIVENESS OF STEVEDORING OPERATIONS AT ASSAB UNDER PMGSE CONTROL IS SUBJECT TO SOME SCEPTICISM IN ADDIS BUSINESS CIRCLES. IT IS BELIEVED LIKELY THAT THE ASSAB DOCKERS UNION WILL HAVE AN EARLY CONFRONTATION WITH THE PMGSE OVER PAY INCREASES AND IMPROVED WORKING CONDITIONS, AND THE GOVERNMENT IS NOT EXPECTED TO YIELD. WHILE THE

PMGSE'S RUTHLESS APPROACH TO OPPOSITION WILL NO DOUBT PREVENT ANY SERIOUS INTERRUPTION IN PORT ACTIVITIES, THE GENERAL EFFICIENCY IS EXPECTED TO DECLINE. AT THE SAME TIME, STEVEDORING CHARGES, WHICH HAVE NOT INCREASED IN YEARS, ARE EXPECTED TO INCREASE SOMEWHAT.

4. PORT IMPROVEMENTS. THE PMGSE IS IN THE INITIAL STAGES OF EXPANDING THE PORT'S DOCKING FACILITIES BY MODIFICATION OF THE TWO EXISTING JETTIES. BY SO DOING, THE NUMBER OF BERTHS ARE EXPECTED TO INCREASE FROM 7 TO THIRTEEN.

5. THE MANUAL UNLOADING OF BULK GRAIN LONG HAS BEEN A BOTTLENECK AT ASSAB. WITH UNDP TECHNICAL AND FINANCIAL ASSISTANCE, THE PMGSE PRESENTLY IS ACTIVATING PLANS TO PROCURE AND INSTALL BULK GRAIN HANDLING EQUIPMENT.

6. PORT CONGESTION. MAJOR PORT IMPROVEMENTS ARE STILL IN THE PLANNING STAGE. DESPITE EFFECTIVE IMPRIVISATION AND ROUNDTHE-CLOCK WORK EFFORTS, COMMERCIAL VESSELS CONTINUE TO EXPERINECE EXTENSIVE DELAYS (REPORTEDLY UP TO SIXTY DAYS). THIS DOES NOT APPLY TO VESSELS LOADING COFFEE, WHICH ARE GIVEN PRIORITY BERTHING (SEE REFTTEL). CURRENTLY THERE ARE SOME 14 VESSELS IN ASSAB WAITING TO DISCHARGE CARGO. SHORTAGE OF ROAD TRANSPORT TO MOVE CARGO OUT OF THE PORT AREA CONTINUES TO HAMPER PORT ACTIVITIES.

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7. US SHIPPING LINES. ACCORDING TO GELLATLY, HANKEY, SHIPPING AGENTS FOR THE WATERMAN LINE, CURRENTLY THE ONLY US LINE SERVING ETHIOPIA, ETHIOPIAN OFFICIALS HAVE BEEN VERY PLEASED WITH THE COMPANY'S PERFORMANCE. THE USE OF "LASH" VESSELS HAS GIVEN THE US COMPANY A FLEXIBILITY THAT OTHER COMPANIES CANNOT COMPETE WITH, AND THEY HAVE GAINED WHAT IS NEARLY A MONOPOLY ON CARGO BETWEEN THE US AND ETHIOPIA. THEIR CONTRIBUTION TO SUCCESSFUL ETHIOPIAN EFFORTS TO MAINTAIN AND INCREASE COFFEE EXPORTS PARTICULARLY HAS BEEN APPRECIATED BY ETHIOPIAN AUTHORITIES.

MATHERON

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** UNION GOVERNMENT RELATIONS, CARGO HANDLING, PORTS, STEAMSHIP LINES  
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**Copy:** SINGLE  
**Draft Date:** 03 may 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**TAGS:** EWWT, EALR, ELAB, ET, US, SHIP STEV CO  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
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